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8 Simon Yuan

9 UNITED STATES DISTRICT COURT
10 NORTHERN DISTRICT OF CALIFORNIA
11 SAN JOSE DIVISION

12 UNITED STATES OF AMERICA,

13 Plaintiff,

14 v.

15 SIMON YUAN,

16 Defendant.

Case No. CR 07 00338 JF

**DECLARATION OF XIU QIN ("MAY")
YANG**

17
18
19 I, Xiu Quin ("May") Yang, hereby make the following Declaration under penalty of perjury
20 under the laws of the State of California and the United States. I declare that the facts stated herein
21 are true, correct and within my own personal knowledge. If called as a witness and sworn I could
22 and would testify to the following:

23 1. I have worked as a waitress at Hunan Garden Restaurant since it opened in September
24 1998. I have also acted as a hostess at the restaurant on some occasions. Prior to working at Hunan
25 Garden, I have worked at other restaurants as a waitress. Effective June 5, 2006, I invested in Hunan
26 Garden Restaurant and purchased 101 shares of common stock, representing a 49% interest in
27 Hunan Garden Restaurant.

28 2. Currently, Hunan Garden Restaurant employs fourteen full-time employees, as well

1 as certain part-time employees. There are four full-time waiters. In addition, there are three busboys
2 – two full-time and one part-time. Eight full-time employees work in the kitchen.

3 3. I recall that the following persons worked at Hunan Garden restaurant in or about
4 2002 and 2003, although I do not remember the exact dates or the length of their employment:

- 5 A. Chen Ti Su;
- 6 B. a man named Miguel;
- 7 C. a woman named Luisa; and
- 8 D. a man named Jessie.

9 I further recall that Miguel and Luisa were married.

10 4. I have personally observed that Simon Yuan has worked at Hunan Garden Restaurant
11 almost 365 days out of each year since he opened the restaurant. Generally, Simon does not work on
12 Saturday morning or Sunday morning, but on those days he does work in the evenings. Recently,
13 Simon and I agreed that he would take off either Tuesday or Wednesday night, depending on how
14 busy the restaurant is. I am not aware that Simon has ever taken a vacation.

15 5. Simon's responsibilities have included purchasing food, acting as a waiter and host,
16 and when necessary, cooking in the kitchen. Simon is the "face of the restaurant" and the person
17 whom customers seek to visit with when they come to the restaurant. Every day, there are customers
18 who ask specifically ask for Simon. When Simon is not at the restaurant, the customers are upset.

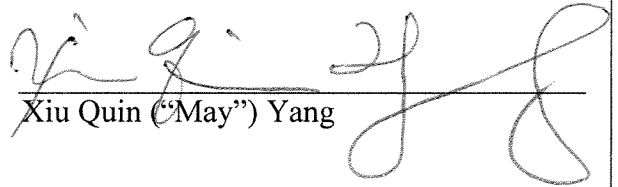
19 6. I strongly believe that the restaurant would be negatively impacted if Simon Yuan
20 was not at the restaurant on a daily basis. I believe that if Simon were not at the restaurant for more
21 than two weeks, the work would be too much for me alone. I do not have very much experience in
22 running a restaurant, and I rely on Simon's experience. I believe that if Simon were not there for
23 more than two weeks, the restaurant would not survive. I believe that he restaurant would probably
24 have to close if Simon were not available for an extended period of time.

25 7. I believe that Simon is a very good person. Otherwise, I would not have worked with
26 Simon for so long, and then agreed to become his partner in the restaurant. Simon has always
27 treated me with respect, fairness and equality. He has never treated me as if I were only an
28 employee. Simon is also a trustworthy business partner.

1 8. It was common knowledge at Hunan Garden Restaurant, and in the Chinese
2 restaurant business generally, that kitchen workers are frequently paid in cash. Indeed, now that
3 Hunan Garden Restaurant does not pay cash wages to its kitchen workers, it is difficult to hire
4 kitchen workers. I never observed Simon or his wife Sue pay Hunan Garden Restaurant's kitchen
5 workers in cash, but prior to the government's tax enforcement against Simon, I understood that the
6 kitchen staff received cash payments.

7 Under penalties of perjury, I declare that the above information, to the best of my knowledge
8 and belief is true, correct and complete.

9
10
11 Dated: January 2, 2008


Xiu Qin ("May") Yang